

MFO FUNDS

INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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MFO FUNDS**PRINCIPAL OFFICERS**

Management Company: MFO Asset Management Ltd

Depository: Eurobank Cyprus Ltd

Legal Advisor: Karides & Karides LLC

License Number: UCITS 14/78

MFO FUNDS**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME****For the six months ended 30 June 2022**


| | Note | MFO BALANCED FUND 01.01.2022- 30.06.2022 € | MFO BALANCED FUND 01.01.2021- 30.06.2021 € |
|---|------|---|---|
| Revenue | | | |
| Dividend income | | 499 | - |
| Net foreign currency gains | | 4,169 | - |
| Total Revenue | | <u>4,668</u> | <u>-</u> |
| Expenses | | | |
| Net fair value losses on financial assets at fair value through profit or loss | 4 | (717,489) | (9,860) |
| Management fees | | (18,835) | (18,733) |
| Depositary fees | | (2,700) | (2,670) |
| Annual licensing fees | | (900) | (898) |
| Audit fees | | (603) | (629) |
| Transaction costs | | (7,801) | (970) |
| Other expenses | | (450) | (820) |
| Total Expenses | | <u>(748,778)</u> | <u>(34,580)</u> |
| Loss for the period before taxation | | (744,110) | (34,580) |
| Taxation | | - | - |
| Net loss for the period | | <u>(744,110)</u> | <u>(34,580)</u> |

The notes on pages 6 to 8 form an integral part of these financial statements.


MFO FUNDS**UNAUDITED STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2022**

| | Note | MFO BALANCED FUND 30.06.2022 € | MFO BALANCED FUND 31.12.2021 € |
|---|------|---|---|
| Assets | | | |
| Financial assets at fair value through profit or loss | 4 | 4,461,949 | 5,108,180 |
| Other receivables | | - | 14 |
| Cash and cash equivalents | 5 | <u>605,023</u> | <u>705,962</u> |
| Total assets | | <u>5,066,972</u> | <u>5,814,156</u> |
| Liabilities | | | |
| Other payables | | <u>11,554</u> | <u>14,628</u> |
| Total liabilities (excluding net assets attributable to unitholders) | | <u>11,554</u> | <u>14,628</u> |
| Net assets attributable to unitholders | 6 | <u>5,055,418</u> | <u>5,799,528</u> |

On 20 July 2022, the Management Company authorised these financial statements for issue.



.....
Andreas Theophanous
Chief Executive Officer



.....
Vasilis Procopiou
Head of Collective Portfolios

The notes on pages 6 to 8 form an integral part of these financial statements.

MFO FUNDS**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**For the six months ended 30 June 2022

| | MFO BALANCED FUND € |
|--|--|
| Balance at 1 January 2021 | 4,929,466 |
| Decrease in net assets attributable to unitholders | <u>(34,580)</u> |
| Total | <u>4,894,886</u> |
| Contributions by unitholders | |
| Issue of units during the period | <u>221,810</u> |
| Total contributions by unitholders | <u>221,810</u> |
| Balance at 30 June 2021 | <u>5,116,696</u> |
| Balance at 1 January 2022 | 5,799,528 |
| Decrease in net assets attributable to unitholders | <u>(744,110)</u> |
| Total | <u>5,055,418</u> |
| Contributions by unitholders | |
| Issue of units during the period | <u>-</u> |
| Total contributions by unitholders | <u>-</u> |
| Balance at 30 June 2022 | <u>5,055,418</u> |

The notes on pages 6 to 8 form an integral part of these financial statements.

MFO FUNDS

UNAUDITED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

| | MFO BALANCED FUND 01.01.2022- 30.06.2022 € | MFO BALANCED FUND 01.01.2021- 30.06.2021 € |
|--|---|---|
| Cash flows from operations | | |
| Loss for the period before taxation | (744,110) | (34,580) |
| <i>Adjustments for:</i> | | |
| Net foreign currency gains | (4,169) | - |
| Net fair value losses on financial assets at fair value through profit or loss | <u>717,489</u> | <u>9,860</u> |
| Cash flows used in operations before changes in working capital | (30,790) | (24,720) |
| Changes in financial assets at fair value through profit or loss | (67,089) | (399,999) |
| Changes in other receivables | 14 | - |
| Changes in other payables | <u>(3,074)</u> | <u>(1,184)</u> |
| Cash flows used in operations | (100,939) | (425,903) |
| Tax paid | <u>-</u> | <u>-</u> |
| Net cash flows used in operations | <u>(100,939)</u> | <u>(425,903)</u> |
| Cash flows from financing activities | | |
| Proceeds from issue of units | <u>-</u> | <u>221,810</u> |
| Net cash flows generated from financing activities | <u>-</u> | <u>221,810</u> |
| Net decrease in cash and cash equivalents | (100,939) | (204,093) |
| Cash and cash equivalents at beginning of the period | <u>705,962</u> | <u>627,874</u> |
| Cash and cash equivalents at end of the period | <u>605,023</u> | <u>423,781</u> |

The notes on pages 6 to 8 form an integral part of these financial statements.

MFO FUNDS

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1. GENERAL

MFO FUNDS (“the Fund”) was granted UCITS license No. UCITS 14/78 by the Cyprus Securities and Exchange Commission (“CySEC”), on 17 September 2018. At the reporting date, the Fund consists of one sub fund, namely MFO Balanced Fund (“the Sub Fund”).

The Fund and its Sub Fund, fall into the definition of Article 5 of the Open Ended Undertakings for Collective Investments Law, have no legal personality, and its unitholders are represented in and out of the court by the Management Company, in respect of legal relations arising from management and their rights in the assets. When representing the unitholders, the Management Company acts in their name, and indicates in all events that is acting on behalf of the Fund. The Management Company exercises all rights arising from the assets of each sub fund for the benefit of the unitholders of the specific sub fund.

Each sub fund is a separate asset pool whose assets belong jointly and indivisibly to the unitholders of the sub fund, are held on deposit with the Depositary, and are a collective portfolio, managed by the Management Company for the interest of the unitholders. The unitholders have rights deriving from the assets of the sub fund they participate, and for which units have been acquired, and each sub fund is responsible for liabilities arising from its own establishment, operation or dissolution.

2. BASIS OF PREPARATION

Statement of compliance

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), including International Accounting Standard 34 “Interim Financial Reporting”. The accounting policies used for the preparation of these interim financial statements, are in accordance with those used in the financial statements for the year ended 31 December 2021. These interim financial statements, do not include all the information required for the full annual financial statements prepared in accordance with IFRS. Users of these interim financial statements, should read these in conjunction with the financial statements for the year ended 31 December 2021. These financial statements have not been audited by the external auditors of the Fund.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires the Management Company to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

3. FAIR VALUE MEASUREMENT

The table below analyses financial instruments carried at fair value by valuation method. The different levels of valuation measurement have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

MFO BALANCED FUND

30 June 2022

| | Level 1 € | Level 2 € | Level 3 € | Total € |
|---|-------------------------|--------------|--------------|-------------------------|
| <i>Assets measured at fair value:</i> | | | | |
| Financial assets at fair value through profit or loss | <u>4,461,949</u> | = | = | <u>4,461,949</u> |
| Total | <u>4,461,949</u> | <u>=</u> | <u>=</u> | <u>4,461,949</u> |

MFO BALANCED FUND

31 December 2021

| | Level 1 € | Level 2 € | Level 3 € | Total € |
|---|-------------------------|--------------|--------------|-------------------------|
| <i>Assets measured at fair value:</i> | | | | |
| Financial assets at fair value through profit or loss | <u>5,108,180</u> | = | = | <u>5,108,180</u> |
| Total | <u>5,108,180</u> | <u>=</u> | <u>=</u> | <u>5,108,180</u> |

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | MFO BALANCED FUND 01.01.2022- 30.06.2022 € | MFO BALANCED FUND 01.01.2021- 31.12.2021 € |
|---|---|---|
| Balance at the beginning of the period | 5,108,180 | 4,314,849 |
| Additions | 1,919,124 | 1,144,579 |
| Disposals | (1,847,866) | (374,534) |
| Fair value changes | <u>(717,489)</u> | <u>23,286</u> |
| Balance at the end of the period | <u>4,461,949</u> | <u>5,108,180</u> |

MFO FUNDS**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

For the six months ended 30 June 2022

5. **CASH AND CASH EQUIVALENTS**

| | MFO BALANCED FUND 30.06.2022 € | MFO BALANCED FUND 31.12.2021 € |
|--------------------------------------|---|---|
| Current accounts with the Depositary | <u>605,023</u> | <u>705,962</u> |

6. **NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

| | MFO BALANCED FUND 30.06.2022 Class A | MFO BALANCED FUND 31.12.2021 Class A |
|--|---|---|
| Number of units in issue | <u>55,396</u> | <u>55,396</u> |
| Net assets attributable to unitholders | <u>€5,055,418</u> | <u>€5,799,528</u> |
| Net Asset Value per Unit | <u>€91.2596</u> | <u>€104.6914</u> |

At 30 June 2022 and 31 December 2021, the Sub Fund, did not have any Class B units in issue.

7. **EVENTS AFTER THE REPORTING PERIOD**

There have been no material events after the reporting period that require adjustment or disclosure in these financial statements.